

State Of New Hampshire

Monthly Revenue Focus

Department of Administrative Services

Linda M. Hodgdon, Commissioner
Edgar R. Carter, Comptroller

November
FY 2012

Monthly Revenue Summary

Analysis

(for month)

	<u>FY 12</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 133.4	\$ 190.1	\$ (56.7)
Highway	\$ 20.8	\$ 20.4	\$ 0.4
Fish & Game	\$ 0.9	\$ 1.0	\$ (0.1)

Current Month

General & Education Funds	<u>FY 12</u> <u>Actuals</u>	<u>FY 12</u> <u>Plan</u>	<u>Actual vs.</u> <u>Plan</u>	<u>%</u> <u>Inc/(Dec)</u>
Business Profits Tax	\$ 5.5	\$ 4.3	\$ 1.2	27.9%
Business Enterprise Tax	3.7	2.7	1.0	37.0%
Subtotal Business Taxes	9.2	7.0	2.2	31.4%
Meals & Rentals Tax	20.8	20.5	0.3	1.5%
Tobacco Tax	16.8	20.3	(3.5)	-17.2%
Transfer from Liquor Commission	11.6	12.0	(0.4)	-3.3%
Interest & Dividends Tax	(1.6)	0.3	(1.9)	-633.3%
Insurance Tax	0.8	0.7	0.1	14.3%
Communications Tax	6.5	6.6	(0.1)	-1.5%
Real Estate Transfer Tax	7.0	6.5	0.5	7.7%
Court Fines & Fees	1.1	1.0	0.1	10.0%
Securities Revenue	0.5	0.3	0.2	66.7%
Utility Consumption Tax	0.5	0.5	-	0.0%
Board & Care Revenue	2.1	1.9	0.2	10.5%
Beer Tax	0.9	1.0	(0.1)	-10.0%
Other	5.2	8.1	(2.9)	-35.8%
Transfer from Lottery Commission	4.6	6.0	(1.4)	-23.3%
Transfer from Racing & Charitable Gaming	0.3	0.3	-	0.0%
Tobacco Settlement	-	-	-	
Utility Property Tax	-	-	-	
State Property Tax	-	-	-	
Subtotal Traditional Taxes & Transfers	86.3	93.0	(6.7)	-7.2%
Net Medicaid Enhancement Revenue	46.7	97.0	(50.3)	-51.9%
Recoveries	0.4	0.1	0.3	300.0%
Total Receipts	\$ 133.4	\$ 190.1	\$ (56.7)	-29.8%

Unrestricted revenue for the General and Education Funds received during November totaled \$133.4 million, which was below plan by \$56.7 million and below prior year by \$52.0 million. Year to date (YTD) unrestricted revenue totaled \$631.3 million, which was below plan by \$45.8 million and below prior year by \$51.5 million. The commentary below includes analysis provided by the Department of Revenue Administration, and the Liquor and Lottery Commissions.

Business Taxes continue to trend above plan for both month and year-to-date with collections above plan by \$2.2 million and \$13.3 million, respectively. Business Tax revenue for the month of November included \$7.3 million in tax notices which were 123% higher than the prior year. On a YTD basis tax notice revenue is below prior year by 20%. Business Tax refunds for November were \$5.5 million, approximately 11% less than November last year. On a YTD basis, refunds are tracking 31% less than prior year.

Net Meals and Rentals Tax (M&R) receipts this month came in \$0.3 million above plan and \$0.1 million below the prior year. As can be seen in the chart on page 2, gross revenue receipts for the month, before Building Aid Debt Service transfers, were 3% above prior year and YTD is tracking \$4.2 million or 4% above prior year. The favorable performance in November is in part attributed to stronger than expected restaurant and lodging occupancy in October due to storm and power outages.

Tobacco Tax revenue for the month of November was \$3.5 million below plan and \$4.3 million below last November. YTD Tobacco tax revenue is tracking 7% below plan and 10% below prior year. Tobacco stamp sales for the month declined 4.0% from November of the prior year. The table on page 4 illustrates the continued reduction in the sales of tobacco stamps, which contributed to the revenue decline. Also causing the decline, is the ten cent reduction in cigarette tax rate, and lower collections on October bonded sales.

YTD transfers by the **State Liquor Commission** are 3.9% lower than plan, which is slightly improved from a 4.1% shortfall in October, in part due to a slightly improved operating margin from prior months. YTD transfers are tracking only 0.7% below prior year.

Interest & Dividends Tax (I&D) receipts for November were \$1.9 million below plan and \$1.3 million below prior year. Year to date I&D revenue is tracking \$4.0 million (22%) below plan and \$2.2 million (13%) below prior year. November is traditionally a low revenue month for I&D Taxes because quarterly estimates are not due until January, but significant refund activity occurs this month due to the filing of extended 2010 tax returns. Also, revenues continue to underperform vs. plan, month and year-to-date, in part due to interest being paid by financial institutions at record low levels.

Real Estate Transfer Tax revenues continue to rebound, exceeding plan \$0.5 million for the month of November and \$3.0 million year to date.

Other revenues for the month came in \$2.9 million below plan due to currently planned collections of indirect costs being delayed. The YTD shortfall to plan of \$1.3 million just created this month is expected to be made up in future months.

Lottery Commission is realizing higher sales of various games in the current year however, higher prize payouts are also being experienced, resulting in YTD transfers being lower than last year by \$0.5 million.

Continued on page 2

All funds reported on a cash basis, dollars in millions.

Continued from page 1

Medicaid Enhancement Tax receipts are lower than plan and prior year due to the reporting by hospitals of significantly lower than expected net patient service revenues and the fact that some hospitals have yet to file. Also, revenues may further be impaired in the future by pending refund requests. For the tax years ended from 6/30/09 to 6/30/11, the approximate value of pending refund requests is \$65.0 million.

RET Analysis

(In Millions)

	Jul	Aug	Sep	Oct	Nov
FY12	7.6	9.8	7.7	6.6	7.0
FY11	9.6	6.9	6.6	6.7	6.6
FY10	9.0	8.3	7.6	8.1	7.1
Mo over Mo	(2.0)	2.9	1.1	(0.1)	0.4
% Mo over Mo	-21%	42%	17%	-1%	6%
YTD change over Prior Year	(2.0)	0.9	2.0	1.9	2.3
% YTD change	-21%	5%	9%	6%	6%

Business Tax Refund Analysis

	Jul	Aug	Sep	Oct	Nov
FY12	1.2	1.6	3.2	1.8	5.5
FY11	3.4	0.9	3.5	5.2	6.1
FY10	1.6	1.2	2.1	3.6	6.3
Mo over Mo change	(2.2)	0.7	(0.3)	(3.4)	(0.6)
YTD change	(2.2)	(1.5)	(1.8)	(5.2)	(5.8)

M&R Analysis

	November			YTD		
	FY 12	FY 11	Diff	FY 12	FY 11	Diff
Gross Collections	22.0	21.3	0.7	122.2	118.0	4.2
Bldg Aid Debt Svc Transfer	(1.2)	(0.4)	(0.8)	(6.1)	(1.7)	(4.4)
Net Revenue	20.8	20.9	(0.1)	116.1	116.3	(0.2)

General & Education Funds Comparison to FY 11MonthlyYear-to-Date

General & Education Funds	FY 12	FY 11	Inc/(Dec)	FY 12	FY 11	Inc/(Dec)	%
	Actuals	Actuals		Actuals	Actuals		
Business Profits Tax	\$ 5.5	\$ 4.1	\$ 1.4	\$ 91.6	\$ 81.2	\$ 10.4	12.8%
Business Enterprise Tax	3.7	2.8	0.9	59.5	52.0	7.5	14.4%
Subtotal Business Taxes	9.2	6.9	2.3	151.1	133.2	17.9	13.4%
Meals & Rentals Tax	20.8	20.9	(0.1)	116.1	116.3	(0.2)	-0.2%
Tobacco Tax	16.8	21.1	(4.3)	94.3	105.3	(11.0)	-10.4%
Transfer from Liquor Commission	11.6	12.5	(0.9)	56.0	56.4	(0.4)	-0.7%
Interest & Dividends Tax	(1.6)	(0.3)	(1.3)	14.2	16.4	(2.2)	-13.4%
Insurance Tax	0.8	0.9	(0.1)	6.0	5.4	0.6	11.1%
Communications Tax	6.5	6.7	(0.2)	32.9	34.9	(2.0)	-5.7%
Real Estate Transfer Tax	7.0	6.6	0.4	38.7	36.4	2.3	6.3%
Court Fines & Fees	1.1	1.1	-	5.6	5.7	(0.1)	-1.8%
Securities Revenue	0.5	0.3	0.2	2.3	2.4	(0.1)	-4.2%
Utility Consumption Tax	0.5	0.5	-	2.5	2.6	(0.1)	-3.8%
Board & Care Revenue	2.1	1.7	0.4	8.3	8.5	(0.2)	-2.4%
Beer Tax	0.9	1.0	(0.1)	6.1	6.1	-	0.0%
Racing & Games of Chance	-	0.2	(0.2)	-	0.9	(0.9)	-100.0%
Other	5.2	5.4	(0.2)	19.3	21.4	(2.1)	-9.8%
Gambling Winnings Tax	-	0.2	(0.2)	-	1.4	(1.4)	-100.0%
Transfer from Lottery Commission	4.6	5.8	(1.2)	20.6	21.1	(0.5)	-2.4%
Transfer from Racing & Charitable Gaming	0.3	0.1	0.2	1.0	0.4	0.6	150.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	-	0.5	(0.5)	7.5	7.6	(0.1)	-1.3%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	86.3	92.1	(5.8)	582.5	582.4	0.1	0.0%
Net Medicaid Enhancement Rev	46.7	91.4	(44.7)	46.7	91.5	(44.8)	-49.0%
Recoveries	0.4	1.9	(1.5)	2.1	8.9	(6.8)	-76.4%
Total Receipts	\$ 133.4	\$ 185.4	\$ (52.0)	\$ 631.3	\$ 682.8	\$ (51.5)	-7.5%

All funds reported on a cash basis, dollars in millions.

General and Education Funds

Year-to-Date Comparison to Plan

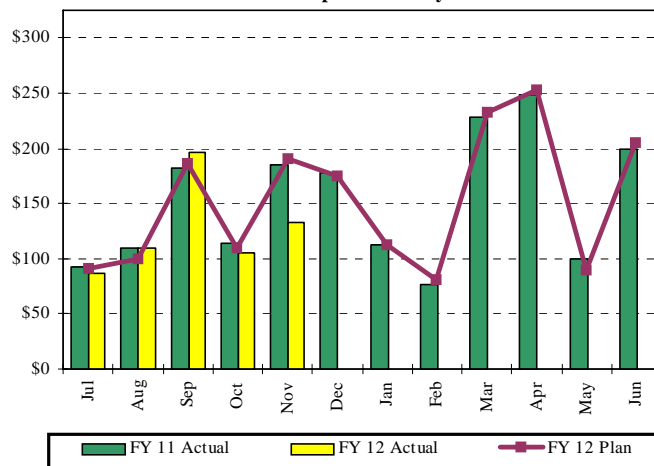
General & Education Funds	General			Education			Total			% Inc/(Dec)
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$ 75.6	\$ 70.4	\$ 5.2	\$ 16.0	\$ 15.1	\$ 0.9	\$ 91.6	\$ 85.5	\$ 6.1	7.1%
Business Enterprise Tax	20.0	17.4	2.6	39.5	34.9	4.6	59.5	52.3	7.2	13.8%
Subtotal Business Taxes	95.6	87.8	7.8	55.5	50.0	5.5	151.1	137.8	13.3	9.7%
Meals & Rentals Tax	112.4	109.7	2.7	3.7	3.9	(0.2)	116.1	113.6	2.5	2.2%
Tobacco Tax	62.1	56.9	5.2	32.2	44.4	(12.2)	94.3	101.3	(7.0)	-6.9%
Transfer from Liquor Commission	56.0	58.3	(2.3)	-	-	-	56.0	58.3	(2.3)	-3.9%
Interest & Dividends Tax	14.2	18.2	(4.0)	-	-	-	14.2	18.2	(4.0)	-22.0%
Insurance Tax	6.0	4.6	1.4	-	-	-	6.0	4.6	1.4	30.4%
Communications Tax	32.9	33.0	(0.1)	-	-	-	32.9	33.0	(0.1)	-0.3%
Real Estate Transfer Tax	28.2	23.8	4.4	10.5	11.9	(1.4)	38.7	35.7	3.0	8.4%
Court Fines & Fees	5.6	5.7	(0.1)	-	-	-	5.6	5.7	(0.1)	-1.8%
Securities Revenue	2.3	2.5	(0.2)	-	-	-	2.3	2.5	(0.2)	-8.0%
Utility Consumption Tax	2.5	2.5	-	-	-	-	2.5	2.5	-	0.0%
Board & Care Revenue	8.3	8.4	(0.1)	-	-	-	8.3	8.4	(0.1)	-1.2%
Beer Tax	6.1	6.2	(0.1)	-	-	-	6.1	6.2	(0.1)	-1.6%
Other	19.3	20.6	(1.3)	-	-	-	19.3	20.6	(1.3)	-6.3%
Transfer from Lottery Commission	-	-	-	20.6	23.0	(2.4)	20.6	23.0	(2.4)	-10.4%
Transfer from Racing & Charitable Gaming	-	-	-	1.0	1.1	(0.1)	1.0	1.1	(0.1)	-9.1%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	7.5	6.5	1.0	7.5	6.5	1.0	15.4%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	451.5	438.2	13.3	131.0	140.8	(9.8)	582.5	579.0	3.5	0.6%
Net Medicaid Enhancement Rev	46.7	97.0	(50.3)	-	-	-	46.7	97.0	(50.3)	-51.9%
Recoveries	2.1	1.1	1.0	-	-	-	2.1	1.1	1.0	90.9%
Total Receipts	\$ 500.3	\$ 536.3	\$ (36.0)	\$ 131.0	\$ 140.8	\$ (9.8)	\$ 631.3	\$ 677.1	\$ (45.8)	-6.8%

Education Trust Fund Statement of Activity - FY 2012 July 1, 2011 to November 30, 2011

Description	Amount
Beginning Surplus (Deficit)	\$ -
Unrestricted Revenue - See above	131.0
Expenditures	
Education Grants & Adm Costs	(246.7)
Ending Surplus / (Deficit)	\$ (115.7)

Fiscal 2012 Adequate Education Grant payments of \$593.0 million are due 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.0 million of grants through local retention of Statewide Property Tax collections. The more significant revenues to this fund occur in March and April.

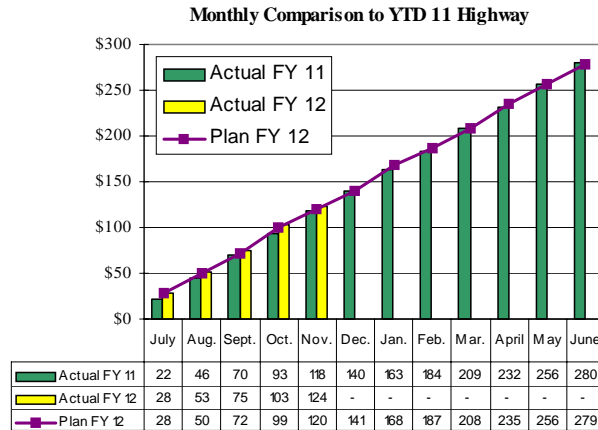
General & Education Funds, excluding State Property Tax FY 12 Comparative Analysis



All funds reported on a cash basis, dollars in millions.

Highway Fund

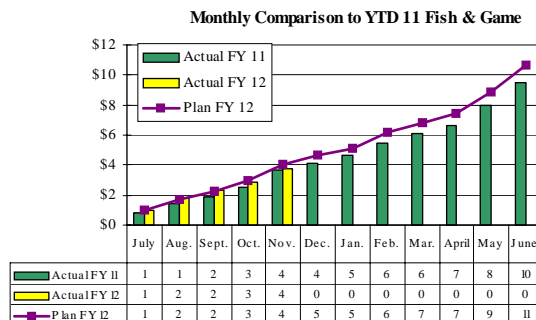
Comparison to Plan			
Revenue Category	year-to-date		
	FY 12 Actuals	FY 12 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 53.1	\$ 53.6	\$ (0.5)
Miscellaneous	24.5	20.8	3.7
Motor Vehicle Fees			
MV Registrations	31.8	30.8	1.0
MV Operators	5.2	5.0	0.2
Inspection Station Fees	1.7	1.8	(0.1)
MV Miscellaneous Fees	4.6	4.7	(0.1)
Certificate of Title	3.1	3.1	-
Total Fees	46.4	45.4	1.0
Total	\$ 124.0	\$ 119.8	\$ 4.2



- According to **Road Toll** Operations, actual fuel consumption is down approximately 1.8% over the same period last year, and is tracking slightly below estimates due to economic conditions and more fuel efficient vehicles.
- According to the Department of Transportation, the **Miscellaneous** category is ahead of plan due to earlier project completions resulting in final federal overhead billings. A portion of this is the timing of receipts which were planned later in the fiscal year.

Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 12 Actuals	FY 12 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 2.8	\$ 3.3	\$ (0.5)
Fines and Penalties	0.1	-	0.1
Miscellaneous Sales	0.8	0.4	0.4
Federal Recoveries Indirect Costs	0.1	0.3	(0.2)
Total	\$ 3.8	\$ 4.0	\$ (0.2)



Sales of Cigarette Stamps

6 month period ended November 30 for each of last five years
(number of stamps, in thousands)

Six months Ended	Sales of Stamps	Volume Change	Percent Change
Cumulative>>>		(17,943)	-21.3%
2012***	66,115	(1,855)	-2.7%
2011	67,970	(2,119)	-3.0%
2010*	70,090	(12,232)	-14.9%
2009**	82,321	(1,737)	-2.1%
2008*	84,059		
Prepared from data provided by DRA			
Cash basis revenue recorded up to 30 days following sale of stamps			
Change effective: Increase * July 1; ** October 15; Decrease *** July 1			

All funds reported on a cash basis, dollars in millions.

Department of Administrative Services
Linda M. Hodgdon, Commissioner
State House Annex - Room 120
25 Capitol Street
Concord, New Hampshire 03301-6312
Phone: (603)271-3201 Fax: (603)271-6600
TDD Access: Relay NH 1-800-735-2964

Division of Accounting Services
Edgar Carter, Comptroller
State House Annex - Room 310
25 Capitol Street
Concord, New Hampshire 03301-6312
Phone: (603) 271-3181 Fax: (603) 271-6666
TDD Access: Relay NH 1-800-735-2964